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Atkinson, Edward

What free silver means

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What Free Silver Means

Edw. Atkinson

WHAT FREE SILVER MEANS

By Edward Atkinson

I am asked to write a short article which shall give the answers to the arguments of the free silver advocates in sharp, clear words That, I will try to do in plain terms. What I have to say about methods and persons applies only to the men who are trying to force a coin at its nominal value instead of its real value upon the mass of the people under false pretenses.

For the first time in the history of this country, and I believe of any other, the Bland Act provided for the forced circulation of standard silver dollars at their "nominal value." In every other act and deed of this country the value of a coin has been established by its weight and not by its name. In the legal provisions for the rating of coins at the Custom House, the value at which they are to be estimated is determined wholly by the weight of pure silver or pure gold which is in them.

A demand is now made on the part of the owners of silver mines and their supporters in Congress, for the free coinage of dollars made of silver at the ratio of 16 pounds of silver to 1 pound of gold. One pound of gold bullion can now be exchanged in the open market for over 30 pounds of silver bullion. The value of the silver in a standard dollar, fixed according to the practice of the United States in determining the value of foreign coins at the time this letter is written, is 53 cents. The silver bullion in this country comes very largely from the mines in which the parties are interested, who are now trying to force the price of this bullion from 53 cents up to 100 cents. The very fact that they have continued to mine, smelt and sell silver bullion at 50 cents to 53 cents in the open market, proves that it costs them less than 50 cents on a dollar to produce it. I now

propose to prove that this demand for free coinage is based on a false pretense. It is not what these men want. It would not serve their purpose if granted. It is put forward in order to conceal the real object of their effort. In order to make this proof complete we must first define the meaning of words.

1. **What is coin?**
2. **What is coinage?**
3. **What is free coinage?**
4. **Why does the Government forbid private coinage?**

1. Coins are round pieces of bullion stamped with figures and words on both sides, to which a name is given by law.

2. Coinage is the manufacture of these round pieces, or disks, of bullion of uniform weight and fineness or quality.

3. Free coinage is the making of coins in a public coin factory, called a mint, at the cost of the taxpayers, and without cost to those who bring the bullion to the mint.

4. The Government forbids private coinage in order that the weight and quality of the metal in the coin shall be just and true, so that no man may be cheated by coins of light weight, of bad quality or counterfeits.

With these definitions the word "coin," "coinage" and "free coinage" are exhausted. There is nothing more in them.

Then what is the reason why men who mine, smelt or own gold or silver bullion should not take either to the mint and supply themselves with all the coin they want? If any man can find any good reason why not, I for one would be glad to know what that reason is.

If any advocate of the free coinage of silver dollars or copper dollars or iron dollars at any ratio, 16 to 1, more or less, will agree to stop there and ask nothing more, I for one am prepared to meet him and in that way to stop the present contest. Who would want them? Not one of these men will consent to free coinage on those terms. Not one of them would be satisfied. Not one of them would then get what he is after under the pretext that free coinage and "equal rights of gold and silver" is all that he wants. I challenge any one to find an advocate of free coinage at 16 to 1 on these simple terms, that both gold and silver should be treated alike; that both gold and silver coins

shall be made for anyone who takes the bullion to the mint to any number that he wants. Who will accept that offer without conditions? I challenge any advocate of free coinage to deny that free coinage, pure and simple, is not what he demands, and not one of them will dare to meet this challenge.

This demand for free coinage is a cover intended to conceal the true purpose of those who ask it. Most of those who support this measure have been deceived and misled. Let such men put the question to any owner of silver mines, to any Senator or Representative in Congress or to any and every candidate on the free coinage platform in the following terms:

"If we grant free or unlimited coinage, without charge for the coining, will you demand nothing more?" Not a man who knows what the true purpose is will answer "Yes" to that question Let your readers try this.

If this question is evaded and if the reply is "No," then the popular phrase, "Free coinage at 16 to 1" is a fraud, used and intended to cover another object or purpose. What is that purpose?

We may assume that F. G. Newlands, member of Congress from Nevada, who was chosen to make the opening speech at the late Silver Convention (not the Populist) in St. Louis, is entitled to declare what the purpose of the advocates of free coinage really is. These are his words:

"Our purpose simply is, by increasing the coinage and use of silver and by giving it equal privileges with gold, to raise its value, and by diminishing the strain on gold which gold monometallism has caused, to take away its unjust appreciation, and thus by pulling up the value of silver and pulling down the value of gold, to restore the old ratio so that 16 ounces of silver will be worth (in bullion as well as in coin) 1 ounce of gold. Thus the old unit of value—the dollar—based on both metals instead of one, will be restored, and we shall have a gold dollar worth 100 cents in silver and a silver dollar worth 100 cents in gold.

Mark these words, "Our purpose is to raise the value of silver." Mr. Newlands' clients must now be able to produce silver at less than 70 cents an ounce, else they would not continue to send it to market at that price, at the rate of over $30,000,000 a year, bullion value. The purpose of Mr. Newlands and his clients is "to raise its value," that is, to make people estimate silver at $1.29¼ an ounce. How does he propose to do it?

Simply "by increasing the coinage and use of silver, and by giving it equal privileges with gold." Let the mints be offered simply to the free and unlimited coinage of silver, and leave the people free to use it or not on equal privileges with gold—then Mr. Newlands and his clients would scout at the offer, and would themselves be forced to declare that they intended and expected to raise the value of silver for their own profit only by forcing people to take it at $1.29 an ounce, whether they wanted it or not.

Now, an act might be passed opening the mints to the free and unlimited coinage of both silver and gold dollars, coupled with a legal tender act to the effect that all persons might make their contracts in terms of gold dollars, and that in such event gold dollars only should be paid and received. That is their right now, and Mr. Stewart, the Senator from Nevada, lends money on mortgages on these terms.

To this clause might be added one enabling any and every man to make contracts for future payments in terms of silver dollars, as any one has the right to do now who pleases, and that silver dollars should be a legal tender, or be paid and received only in the liquidation of such contracts. But ignorant or uninformed people would be apt to continue to agree to work for wages, to buy and sell their labor, to make bargains for their small crops, and their small products, naming dollars only, without saying which kind, not being aware of any possible difference between one dollar and another. It is this class of persons whom Mr. Newlands and his confederates would defraud by forcing them under a legal tender act to take the bad dollar at 100 cents, which costs only 50, while depriving them of the right to claim the best dollar that can be made, which is the dollar they need more than any other class of persons.

The supporters of the gold standard ask no privilege. They want no act of force. The value of gold is the same after a gold coin is melted as it is in the coin. The best definition of true money ever given is that of Henry Cernuschi, the ablest bimetallist of these late times:

"It is by the ordeal of fire that money may be tried. The coins which, being melted down, retain the entire value for which they were legal tender before they were melted down are good money. Those which do not retain it are not good money."

He, however, held that all coin, both of gold and silver,

gets its monetary power or force from acts of legal tender. At that point comes the contest between fiat money and true or good money. There is no act of legal tender in the international commerce of the world, which amounts to eighteen thousand million dollars a year. Gold bars certified in the mint often have preference over coin for the remittance of money from one country to another. Bills of exchange are mostly drawn in pounds sterling. There is no lawful coin of that name. Even in England the equivalent is a coin lawfully named a sovereign. But neither a bill of exchange nor a contract in pounds sterling can be paid or discharged except by weight. Whoever holds a Bank of England note for £5 is entitled to five times 113.0016 grains of gold. When these notes are presented at the bank for any considerable amount the coins are not counted, but are weighed to him. If there are sovereigns of light weight among them they are not pounds sterling. They cannot be forced upon him; they are rejected, marked or broken, and sent back to the mint to be recoined.

Mr. Newlands says, in fact: "Only give us the power to force our silver dollars, which will cost us 50 cents each, more or less, in gold, upon you at a 'nominal value' (following the words of the Bland act) of 129 cents and a fraction; and by this act of force we will bring all the silver which is now coined, all the bullion lying idle, and the whole increasing product of the world, up to the standard of the pound sterling or the gold dollar."

The world now values this bullion at a trifle over one-half. Any one can buy Mexican silver dollars, Spanish dollars and Japanese yens, or dollars, heavier than our own, at 50 cents each or a trifle more. Mr. Newlands says: "Delegate to us the power to force these dollars upon the people of the United States at their 'nominal value,' and we will raise the value of the silver bullion of the world to a parity with gold at the ratio of 16 to 1, when it is now about 30 to 1."

If the question were put, as it is hereby put to F. G. Newlands, "Will you accept an act of free coinage of silver dollars and leave every man in the community free to chose what kind of a dollar he will be paid in, gold or silver, when he is receiving payment for his goods, his wages or his earnings?" what will Mr. Newlands' reply be? He must of necessity reply: "No, we will not give any man a free choice. We cannot attain our purpose without force. We propose to deprive every man in the

community of his personal liberty to make his contracts according to his own will. We will not even permit special contracts in gold coin. In addition to a free coinage act we demand a law by which the United States shall delegate its force to us, and shall endow us with the power to mine silver, which now costs us less than 70 cents an ounce, or 50 cents on a dollar, to have it coined at the cost of the taxpayers, free of charge to us, and then to give us the power to force the whole community to take these coins at their 'nominal value' of 129 cents and a fraction an ounce, on penalty of losing their whole claim if they do not accept this legal tender." He must of necessity say in reply to this question: "Our purpose is to raise the market value of silver throughout the world from its present price to about double that price. We can only do this by force of law. We therefore demand not only free coinage, but an act of legal tender by which we can exercise that force." This demand reminds one of the plea of the slave-holder who justified slavery on the ground that the blacks were better off and happier than they ever could be as free men.

Mr. Newlands says to the workmen of this country, as the slaveholders said to their slaves, "You do not know the difference between good money and bad money; let us supply you with money which is now bad, but trust us to better it. We will coin our own bullion. We will buy all the Mexican bullion. Our bankers will import silver from Australia which, according to the public reports of the great silver mines, costs them less than ours costs us. We will have all this bullion made into coins at your expense, as you pay the taxes. We will then force you to take what is now bad money at its 'nominal value' of $1.29¼ an ounce. True, we shall then make 100 per cent more or less profit for a time for ourselves. We can then work up all our low grade ores which do not pay us now to smelt. We will increase our product from what it now is at its nominal value about $30,000,000 a year, to double the quantity, as we did two or three years ago, when, at our demand and by our votes in Congress the United States government was forced to increase its demand debt in order to buy from us all the bullion that we could mine each year. Nearly all that they have bought of us under the Sherman act now lies dead and useless in the vaults of the Treasury, uncoined and unwanted. We have already,

under the Bland and Sherman acts, by our votes and our influence, increased the debt of the United States nearly $500,000,000, and you have submitted to our demand. We now ask for more power to tax you for our own profit. Upon you will fall the taxes when that debt is paid. All we now ask of you is to give up your own free choice of money, to deprive yourselves of the right of free contract and to let us deal with you as the slaveholders dealt with the slaves. Under that pretext we say to ourselves, 'You shall work for our benefit. You shall give us all the profit. You shall take all the risk and we will force you to this end. We will end our own profits on mortgages payable in gold, as our Senator from Nevada does now. We will buy your land and make our rents payable only in gold, as our State Governors do now. We will keep the reserves of all our own banks in the silver States in gold coin, as we do now. We will take no risks ourselves. We know very well what is good money and what is bad money; but you do not. We will bring a heavier sweat on the brow of laborers, as we make them work harder for their daily bread; and we will bind upon the backs of the workman a double load, as we drive them by force of law to carry the heavy cross of bad money for our profit.'"

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